

**Senate Finance, Ways and Means Committee 2**

**Amendment No. 6 to SB0502**

**McNally**  
**Signature of Sponsor**

**AMEND Senate Bill No. 502\***

**House Bill No. 507**

**ADMINISTRATION AMENDMENT**

**SECTION 1 – 2013-2014 APPROPRIATIONS FROM STATE REVENUE**

in Section 1, Title III-9, by deleting the following:

b. Career Ladder .....	40,500,000.00
c. Basic Education Program .....	4,039,319,100.00
Total Title III-9 .....	\$ 4,365,914,400.00

and inserting instead the following:

b. Career Ladder .....	39,000,000.00
c. Basic Education Program .....	4,030,319,100.00
Total Title III-9 .....	\$ 4,355,414,400.00

AND FURTHER AMEND and in Section 1, Title III-10, by deleting the following:

1.2 Contract Education.....	2,128,200.00
1.8 Lottery for Education Account .....	322,900,000.00
2.2 Centers of Excellence .....	17,351,400.00
Total Administration and Support Services and Excellence Initiatives.....	\$ 414,175,700.00
Total Title III-10 .....	\$ 1,563,015,800.00

and inserting instead the following:

1.2 Contract Education.....	2,178,400.00
1.8 Lottery for Education Account .....	329,700,000.00
2.2 Centers of Excellence .....	17,755,200.00
Total Administration and Support Services and Excellence Initiatives.....	\$ 421,429,700.00
Total Title III-10 .....	\$ 1,570,269,800.00

**Senate Finance, Ways and Means Committee 2**

**Amendment No. 6 to SB0502**

**McNally**  
**Signature of Sponsor**

**AMEND Senate Bill No. 502\***

**House Bill No. 507**

AND FURTHER AMEND in Section 1, Title III-14, by deleting the following:

2.4	Memphis Mental Health Institute .....	16,554,300.00
2.5	Community Mental Health Services.....	75,957,800.00

and inserting instead the following:

2.4	Memphis Mental Health Institute .....	14,512,300.00
2.5	Community Mental Health Services.....	77,999,800.00

AND FURTHER AMEND in Section 1, Title III-18, by deleting the following:

8.	Sales Tax Disaster Relief .....	750,000.00
	Total Title III-18 .....	\$ 82,569,200.00

and inserting instead the following:

8.	Sales Tax Disaster Relief .....	250,000.00
	Total Title III-18 .....	\$ 82,069,200.00

AND FURTHER AMEND in Section 1, Title III-21, by deleting the following:

1.	CoverTN.....	\$ 15,982,200.00
2.	AccessTN.....	23,054,000.00
4.	CoverRx .....	13,189,500.00
	Total Title III-21 .....	\$ 110,626,300.00

and inserting instead the following:

1.	CoverTN.....	\$ 7,982,200.00
2.	AccessTN.....	19,054,000.00
4.	CoverRx .....	10,689,500.00
	Total Title III-21 .....	\$ 96,126,300.00

AND FURTHER AMEND in Section 1, Title III-22 by deleting the following:

23.	Severance Benefit Plan .....	2,400,000.00
-----	------------------------------	--------------

29.	Contingency Appropriation – Health and Wellness Initiatives (Tobacco MSA Source).....	37,900,000.00
30.	Administration Legislation.....	3,000,000.00
31.	Legislative Initiatives.....	6,000,000.00
	Total Title III-22 .....	\$ 209,713,400.00

and inserting instead the following:

23.	Severance Benefit Plan .....	2,200,000.00
29.	Contingency Appropriation – Health and Wellness Initiatives (Tobacco MSA Source).....	20,000,000.00
30.	Tobacco MSA Diligent Enforcement Systems Development.....	1,203,100.00
31.	FRF Rent Adjustment - Alternate Lease Space Disposed-Buildings	800,000.00
32.	Weighted Caseload Study, Judges, DAs, and Public Defenders.....	400,000.00
33.	Pay for Performance Planning.....	100,000.00
34.	Contingency Appropriation – Grant to Knox County in Lieu of Tax .	50,000.00
	Total Title III-22 .....	\$ 185,166,500.00

AND FURTHER AMEND in Section 1, Title III-29, by deleting the following:

3.	FRF Capital Projects .....	133,000,000.00
4.	FRF Debt Service .....	12,900,000.00
	Total Title III-29 .....	\$ 168,564,800.00

and inserting instead the following:

3.	FRF Capital Projects .....	135,920,000.00
4.	FRF Debt Service .....	13,000,000.00
	Total Title III-29 .....	\$ 171,584,800.00

AND FURTHER AMEND in Section 1, Title III-29, in the paragraph after the total of Title III-29, by deleting the figure and word “\$12,900,000.00 for” and inserting instead “\$13,000,000.00 for”; by deleting the words “four of six” and inserting instead “six of eight”; by deleting the period and inserting instead a semicolon after the listed item “(d) Donnelly J. Hill Building in Memphis”; and by inserting the following:

- (e) Old Supreme Court Building in Knoxville;
- (f) Henley Street State Office Building in Knoxville.

AND FURTHER AMEND in Section 1, Title III, following the total amount for Title III-30, by deleting the following:

Grand Total ..... \$ 13,593,446,200.00

and inserting instead the following:

Grand Total ..... \$ 13,553,673,300.00

AND FURTHER AMEND in Section 1, Title III-32, by deleting the following:

4.	Department of Environment and Conservation .....	4,200,000.00
5.	Department of Finance and Administration .....	1,500,000.00
6.	Department of General Services .....	13,677,000.00
8.	Historical Commission .....	803,000.00
12.	Department of Veterans Affairs .....	290,000.00
13.	Veterans Homes Board .....	4,300,000.00
14.	Tennessee Board of Regents .....	67,810,000.00
15.	University of Tennessee .....	47,600,000.00

Total Title III-32 ..... \$ 160,800,000.00

and inserting instead the following:

4.	Department of Environment and Conservation .....	5,460,000.00
5.	Department of Finance and Administration .....	2,400,000.00
6.	Department of General Services .....	15,552,000.00
8.	Historical Commission .....	1,303,000.00
12.	Department of Veterans Affairs .....	950,000.00
13.	Secretary of State .....	2,600,000.00
14.	Tennessee Board of Regents .....	67,510,000.00
15.	University of Tennessee .....	48,600,000.00

Total Title III-32 ..... \$ 164,995,000.00

AND FURTHER AMEND in Section 2, in Item 12(b) by deleting the figure “\$17,717,800” and inserting instead “\$17,714,600” and in Item 12(c) by deleting the figure “\$33,582,200” and inserting instead “\$33,585,400”.

#### **SECTION 4 – 2013-2014 APPROPRIATIONS FROM DEPARTMENTAL REVENUE**

AND FURTHER AMEND in Section 4, Title III-21 by deleting the following:

1.	CoverTN .....	\$ 27,965,900.00
Total Title III-21 .....		\$ 207,897,800.00

and inserting instead the following:

1.	CoverTN .....	\$ 13,982,900.00
----	---------------	------------------

Total Title III-21 ..... \$ 193,914,800.00

AND FURTHER AMEND in Section 4 by deleting the following at the end of the section:

Grand Total..... \$ 15,086,025,700.00

and inserting instead the following:

Grand Total..... \$ 15,072,042,700.00

**SECTION 38 – 2012-2013 SUPPLEMENTAL APPROPRIATIONS**

AND FURTHER AMEND in Section 38 by deleting the following:

12.1 Contingency Appropriation – Reserve for Future Tobacco MSA  
Revenue Estimates (Arbitration Settlement)..... \$ 5,700,000.00

Total Miscellaneous Appropriations..... \$ 8,477,500.00

Total General Fund ..... \$144,756,400.00

GRAND TOTAL..... \$150,056,400.00

and inserting instead the following:

12.1 Contingency Appropriation – Reserve for Future Tobacco MSA  
Revenue Estimates (Arbitration Settlement)..... \$ 5,300,000.00

Total Miscellaneous Appropriations..... \$ 8,077,500.00

Total General Fund ..... \$144,356,400.00

GRAND TOTAL..... \$149,656,400.00

AND FURTHER AMEND in Section 38 in the fourth paragraph following the table of appropriations by deleting the figure “\$5,700,000” and substituting \$5,300,000.00”.

AND FURTHER AMEND by deleting Sections 62 and 63 in their entirety, inserting the following sections, and renumbering subsequent sections accordingly.

**CONTINGENCY APPROPRIATION FROM TOBACCO MSA ARBITRATION SETTLEMENT –  
HEALTH AND WELLNESS INITIATIVES AND ENVIRONMENTAL HEALTH**

SECTION 62. Contingency Appropriations from Tobacco MSA Arbitration Settlement.

Item 1. Appropriations in Sections 1 and 38 of this act totaling \$49,300,000 are contingent upon the state's receiving revenue from the Tobacco Master Settlement Agreement (MSA) diligent-enforcement arbitration settlement and such revenue being available funds. The estimate of such revenue is \$72,400,000, which is estimated to be collected in the year ending June 30, 2013, but the appropriation also is effective if the revenue is collected in the year ending June 30, 2014. The appropriations, listed in priority order of funding, are:

(1) An amount of \$5,300,000 in Section 38, Item 12.1, Contingency Appropriation – Reserve for Future Tobacco MSA Revenue Estimates (Arbitration Settlement). It is the legislative intent that this amount be used to support continuing Tobacco MSA revenue collections, as the other Tobacco MSA revenue is expected to decline by a total of \$5,300,000 during fiscal years 2013-2014 through 2016-2017, before increasing as a result of the settlement in fiscal year 2017-2018.

(2) An amount of \$24,000,000 in Section 1, Title III-32, Capital Outlay, Item 15, University of Tennessee, for UTK Steam Plant Conversion to Natural Gas, as described on pages A-156 and A-168 of the 2013-2014 Budget Document. Full funding of this appropriation is contingent upon the state's receiving \$29,300,000 or more of revenue from the arbitration settlement. If a lesser amount is received, but more than \$5,300,000, such lesser amount hereby is appropriated for this capital outlay project.

(3) An amount of \$20,000,000 in Section 1, Title III-22, Miscellaneous Appropriations, Item 29, Contingency Appropriation – Health and Wellness Initiatives (Tobacco MSA Source). This appropriation is contingent upon the state's receiving more than \$29,300,000 from the arbitration settlement, and the appropriation for this purpose hereby is made in such amount as may be received above the level of \$29,300,000 from the Tobacco MSA arbitration settlement, but not to exceed \$20,000,000.

Item 2. Health and Wellness Initiatives. From the contingency appropriation for Health and Wellness Initiatives, it is the legislative intent to provide emphasis on prevention and long-term medical cost savings across the entire state in order to accomplish the following goals enunciated by the Tennessee Department of Health: (1) prevent child and adolescent tobacco use, reducing the long-term cost and burden of heart disease, diabetes, chronic lung disease, asthma, and cancer; (2) reduce exposure to second-hand smoke, which reduces childhood ear infections and asthma; (3) eliminate smoking during pregnancy, which reduces low birth-weight baby hospitalization costs; (4) cessation of smoking by adults, which reduces health-care costs for individuals, families, and employers and improves community labor pools. The plan for use of these funds includes both primary prevention, which is to help persons not to begin using tobacco products, and secondary prevention, which is to help tobacco users to cease tobacco use.

It is the legislative intent that the unexpended balance of this appropriation be carried forward each June 30 until expended for the purposes stated in this item, and such funds shall not revert to the general fund at June 30, 2014.

These funds shall be allocated in such appropriated amounts as may be available in the following priority order:

Priority 1 – For the Governor’s Health and Wellness Initiative, an amount not to exceed \$5,000,000. This initiative is intended to evaluate and promote adoption of health and wellness programs and to promote sustained local initiatives; leverage private contributions and foundation support to develop sustained local initiatives; and perform research, education, awareness, measurement, and reporting on the initiative.

Priority 2 – For a 95-County Distribution, an amount not to exceed \$15,000,000. The distribution of these funds shall be made by the Department of Health to local programs over a three-year period beginning with a distribution in fiscal year 2013-2014. The state distribution plan shall recognize health disparities in places and populations of this state; regional funding will be allocated using a formula that recognizes a 20 percent base amount, 40 percent based on population, and 40 percent based on need, as indicated by prevalence of tobacco use and tobacco-related health conditions. Upon development of allocation plans approved by the Tennessee Department of Health, the distribution is to be made to regional and county health councils, which are facilitated by local health departments and are engaged in community health assessments. The annual regional allocation plans for use of these funds must set priorities for primary and secondary prevention strategies and target health-disparity populations. Health councils shall be responsible for allocating funds to projects and partners, while applying continuous improvement methods and evaluation to measure results.

First-year distribution to any region is contingent upon approval by the Tennessee Department of Health of a regional plan documenting tobacco use and tobacco-related health conditions. It is the legislative intent that second- and



third-year distribution to any region be contingent upon approval by the department of a revised regional plan and regional reporting of results of program evaluation, using the Plan-Do-Study-Act quality cycle to continuously improve effectiveness.

Item 3. Reserve for Health and Wellness Initiatives. An amount of \$23,100,000, or any sum as may exceed \$49,300,000 in revenue collected and available from the settlement, shall be reserved for future health and wellness non-recurring requirements as provided in Section 47, Item 9, of this act.

### **OTHER 2012-2013 SUPPLEMENTAL APPROPRIATIONS**

SECTION 63. Other 2012-2013 Supplemental Appropriations. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. There is hereby appropriated the following amounts, which shall be in addition to the appropriations provided in Public Acts of 2012, Chapter 1029, and in Section 38 of this act, and 26 full-time (FT) positions are authorized to be established, as indicated in the table below:

	<b><u>2012-2013</u></b>
<b>From General Fund State Revenue:</b>	
1. Labor - 2012 Public Chapter 682 - Unemployment Compensation - Spouses in Military Transfers	\$ 130,000
2. Mental Health - Moccasin Bend MHI - Accreditation (26 FT)	350,000
3. Capital Outlay - Montgomery County Veterans Home	4,300,000
<b>Sub-Total From General Fund State Revenue</b>	<b>\$ 4,780,000</b>
<b>From Dedicated State Revenue:</b>	
1. Agriculture - Beef Promotion Board	110,000
<b>Total</b>	<b><u>\$ 4,890,000</u></b>

### **ADDITIONAL 2013-2014 APPROPRIATIONS**

SECTION 64. Restore 2013-2014 Base Reductions – Intellectual and Developmental Disabilities. In addition to the amounts appropriated in Section 1 and 4 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized

to adjust federal aid and other departmental revenues and position authorizations accordingly. Such federal aid and other departmental revenue adjustments and full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items. These appropriations restore to the Department of Intellectual and Developmental Disabilities 19 full-time positions that had been identified for abolishment in the 2013-2014 Budget Document, Vol. 2, Base Budget Reductions, pages 46-48.

	<b>Recurring Appropriation</b>	<b>Departmental Revenue</b>
I. <b>TennCare</b> - Intellectual Disabilities Services	\$ 436,700	\$ 688,400
II. <b>Dept. of Intellectual and Developmental Disabilities (DIDD):</b>		
1. Intellectual Disabilities Services		
Administration (3 FT)	\$ 18,900	\$ 170,500
2. Greene Valley Developmental Center (12 FT)	0	812,000
3. West Tenn. Regional Office (2 FT)	15,800	142,600
4. West Tenn. Resource Center (2 FT)	191,000	0
<b>Sub-Total DIDD</b>	<b>\$ 225,700</b>	<b>\$ 1,125,100</b>
<b>Total (19 FT)</b>	<b>\$ 662,400</b>	<b>\$ 1,813,500</b>

SECTION 65. Core Services Restored. In addition to the amounts appropriated in Section 1 of this act, the following amounts are appropriated from the general fund and education fund, as applicable, for the purpose of restoring certain core services identified in the 2013-2014 Budget Document on page A-50, and, for the Arts Academy, in the 2009-2010 Budget Document, Vol. 2, Base Budget Reductions, page 6, and identified as a core service in the 2011-2012 Budget Document, Vol. 2, Base Budget Reductions, page 91. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases.

<u>Recurring</u>	<u>Non-Recurring</u>
------------------	----------------------

1. Education - Arts Academy - Teacher Professional Development	\$ 0	\$ 200,000
2. Education - Science Alliance Museums	750,000	(750,000)
3. Mental Health - Peer Support Centers	1,377,300	(1,377,300)
4. Intellectual and Developmental Disabilities - Family Support Program	2,681,500	(2,681,500)
5. Human Services – Human Resource Agencies and Community Action Agencies - Operating Subsidy	0	1,415,600
<b>Total</b>	<b>\$ 4,808,800</b>	<b>\$ (3,193,200)</b>

SECTION 66. Legislation. In addition to the appropriations in Sections 1 and 4 of this act, the following amounts hereby are appropriated for the purpose of implementing the cited bills, and such additional or lesser amounts indicated in the final fiscal note on the bills as enacted hereby are appropriated. The Commissioner of Finance and Administration is authorized to allocate the appropriations to the appropriate organizational units and to adjust federal aid and other departmental revenues and authorized positions accordingly. Federal and other departmental revenue adjustments may be made in reconciliation to said fiscal notes and to available federal aid and other departmental revenue. Adjustments to the number of authorized positions indicated in the line items as full-time (FT), part-time (PT), and seasonal shall be reconciled to the fiscal notes. The negative amounts in line-items of this section are appropriation reductions, and the positive amounts are appropriation increases. The appropriation in each item of this section is subject to the bill cited in that item becoming a law, except as otherwise provided.

Item 1. General Fund and Education Fund Appropriations. The following appropriations are from the general fund and education fund, as applicable.

	<u>Recurring</u>	<u>Non-Recurring</u>
1. SB 200 / HB 194 - Labor - Workers Compensation Reform - Fiscal Note Reconciliation (6 FT)	\$ (396,800)	\$ (606,900)
2. SB 202 / HB 196 - Correction - Gang Enhanced Sentencing - Fiscal Note	(3,200)	0

Reconciliation @ \$25,500

3. SB 501 / HB 506 - Budget Implementation General Law Changes - Sum Sufficient Estimated @ \$0	0	0
4. SB 675 / HB 531 - Correction - Lynn's Law Caretaker Abuse or Neglect of Adult - Incarceration	14,200	0
5. SB 830 / HB 702 - State Charter School Panel (2 FT)	239,000	0
<b>Total</b>	<b>\$ (146,800)</b>	<b>\$ (606,900)</b>

Item 2. Dedicated Source and Earmarked Appropriations. The following appropriations are from dedicated state revenue sources and departmental revenues.

	<b>Appropriation</b>	<b>Departmental Revenue</b>
1. SB 148 / HB 161 - C&I - Collection Service Board - Managers at Collection Offices	\$ (30,600)	\$ 0
2. SB 169 / HB 163 - Financial Institutions - Electronic Payments Authorization	8,200	0
3. SB 194 / HB 188 - TSAC - Need-Based Education Grants @ 2-Year Schools - Transfer \$50 M from TSAC Reserve	1,250,000	0
4. SB 197 / HB 191 - Tennessee Regulatory Authority	(523,000)	0
5. SB 833 / HB 551 - Labor – Workers Compensation Employee Misclassification Fund (6 FT)	370,000	0
6. Health - Electronic Licensure Application - Bill Not Filed - Delete Appropriation	(745,000)	0
<b>Total</b>	<b>\$ 329,600</b>	<b>\$ 0</b>

If Senate Bill 194 / House Bill 188, relative to need-based education grants at two-year schools, becomes a law, the Commissioner of Finance and Administration is authorized to transfer from the Tennessee Student Assistance Corporation (TSAC) operating fund of the Federal Family Education Loan Program referenced in U.S. Code Annotated, Title 20, Section 1072b, the sum of \$50,000,000 to the need-based educational fund created by the state legislation for the purpose of using interest earnings for the need-based grants. The

commissioner, upon advice of the executive director of TSAC, may adjust the amount to be transferred based upon the balance required for the TSAC operating fund and may make transfers from the operating fund at any time an excess in the operating fund justifies. If the bill becomes a law by June 30, 2013, such transfers may begin in the fiscal year ending on June 30, 2013. The provisions of this paragraph shall be effective upon becoming law, the public welfare requiring it.

SECTION 67. TennCare Eligibility Determination. In addition to the amounts appropriated in Section 1 and 4 of this act, the following amounts are appropriated for the purpose of establishing an eligibility determination process in the TennCare Bureau. The Commissioner of Finance and Administration is authorized to allocate the appropriations to the appropriate organizational units and to adjust federal aid and other departmental revenues and authorized positions accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases.

	<b>Recurring Appropriation</b>	<b>Departmental Revenue</b>
1. TennCare Administration – Eligibility Determination Staff and Operational	\$ 16,800,000	\$ 16,800,000
2. TennCare Administration - Human Services Eligibility System Reduction	(4,000,000)	(4,000,000)
3. Human Services - Administration – Eligibility System Reduction	0	(8,000,000)
<b>Total</b>	<b>\$ 12,800,000</b>	<b>\$ 4,800,000</b>

The Bureau of TennCare is authorized to overlap up to 256 employees in existing authorized positions during the transition of the TennCare eligibility determination process, and the Commissioner of Finance and Administration is authorized to establish up to 256 positions in the TennCare Bureau as eligibility determination positions are abolished in the Department of Human Services. The number of additional positions established in the TennCare Bureau for this purpose shall not at any time exceed the number of eligibility determination positions

abolished in the Department of Human Services, except as may be approved by the commissioner under the provisions of Section 23, Item 2, of this act. As the positions are established in the TennCare Bureau, the overlap of employees shall be reduced accordingly.

SECTION 68. Other Additions to Budget. In addition to the amounts appropriated in Sections 1 and 4 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to allocate the appropriations to the appropriate organizational units and to adjust federal aid and other departmental revenues and position authorizations accordingly. Full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

Item 1. General Fund and Education Fund Appropriations. The following appropriations are from the general fund and education fund, as applicable.

	<u>Recurring</u>	<u>Non-Recurring</u>
1. Legislature - Information Technology and On-Line Services	\$ 500,000	\$ 0
2. Legislature - National Black Caucus of State Legislators - Memphis Meeting	0	100,000
3. Public Defender - Shelby County Public Defender - Juvenile Cases	1,010,400	0
4. F&A - Criminal Justice Office - Family Violence Services	250,000	0
5. TennCare - Intellectual Disabilities Services - Accreditation Fee	87,300	0
6. Intellectual and Developmental Disabilities - Accreditation Fee	19,400	0
7. General Services - State Facilities Pre-Planning	1,000,000	0
8. Environment and Conservation – Chickasaw Basin Authority	0	100,000
9. Historical Commission – Civil War Site Preservation Fund (SB 642 / HB 301) – Grants for Acquisition	0	482,000
10. Historical Commission – Wars Commission Publication	0	18,000
11. Economic and Community Development (E&CD) - Fast Track Infrastructure and Job Training Assistance - Projects	0	44,600,000
12. E&CD - Carroll Co. Lake - Grant to Carroll County Watershed Authority – Refinancing	0	5,000,000
13. E&CD - Legacy Parks Foundation in Knoxville - Economic development grant -	0	30,000

Match City and County funds

14.	Education - 2012 PC 967 - Dual Credit Articulation	0	300,000
15.	Education - Advance Placement Access	0	200,000
16.	Higher Education - Non-Formula Units:		
	Research and Public Service:		
	UT Agriculture Experiment Station	\$ 608,600	\$ 0
	UT Agriculture Extension Service	735,800	0
	TSU McMinnville Center	13,600	0
	TSU Institute of Ag. and Environmental Research	55,200	0
	TSU Cooperative Education	75,300	0
	TSU McIntire-Stennis Forestry Research	4,400	0
	UT Space Institute	190,100	0
	UT Institute for Public Service	113,500	0
	UT County Technical Assistance Service	41,200	0
	UT Municipal Technical Advisory Service	68,300	0
	Other Specialized Units:		
	Loan/Scholarships Program	29,800	0
	TN Foreign Language Institute	9,500	0
	Contract Education	54,500	0
	Program Initiatives:		
	Centers of Excellence	438,500	0
	Campus Centers of Emphasis	31,600	0
	Academic Scholars Program	10,000	0
	UT Access and Diversity Initiative	138,800	0
	TBR Access and Diversity Initiative	245,100	0
	THEC Grants	58,000	0
	UT Research Initiatives	139,900	0
	Sub-Total Higher Education - Non-Formula Units	\$ 3,061,700	\$ 0
17.	Higher Education - Board of Regents - Chairs of Excellence	0	400,000
18.	Labor - 2012 Public Chapter 682 - Unemployment Compensation - Spouses in Military Transfers	150,000	0
19.	Labor - Adult Basic Education - GED Exam Cost	675,000	0
20.	Mental Health - Moccasin Bend MHI - Accreditation (26 FT)	1,564,800	0
21.	Mental Health - Residential Adolescent Substance Treatment	0	500,000
22.	Revenue Dept. - Tobacco MSA Diligent Enforcement - Audit Staff (6 FT)	392,900	29,700
	<b>Total</b>	<b>\$ 8,711,500</b>	<b>\$ 51,759,700</b>

From the appropriation in this item to the Department of Economic and Community Development relative to Carroll County Lake, the department shall make a grant to the Carroll County Watershed Authority for the purpose of the authority's refinancing its existing outstanding debt associated with the lake project. The authority shall submit a plan to the department on the details of the intended use of the funds to pay off \$5,000,000 of the existing debt incurred in the construction and improvement of the Carroll County Lake project, and the plan is subject to the approval of the department. The terms and condition of the grant agreement shall include a provision requiring the authority to submit to the department, as soon as practical, but no later than June 30, 2014, an accounting of the actual expenditure of the grant to pay off existing indebtedness and a provision obligating the authority to reimburse the grant funds to the state, if the authority does not comply with the conditions of the approved plan and the grant agreement. The terms and conditions of the grant agreement shall be subject to approval of the Commissioner of Finance and Administration and the State Funding Board. Any reimbursement to the state of granted funds shall be deposited by the department to the general fund, as may be directed by the Department of Finance and Administration, Division of Accounts.

The appropriation in this item to the Department of Education for Advanced Placement Access is for the purpose of a pilot program to explore ways to expand access and offerings of advanced placement tests in Tennessee.

The appropriation in this item to the Board of Regents for the Chairs of Excellence program is for the purpose of matching \$600,000 available in the Board of Regents system and a \$1,000,000 gift. The appropriation shall be transferred to the chairs of excellence endowment fund, Board of Regents general account, created pursuant to Tennessee Code Annotated, Section 49-7-501.



Item 2. Dedicated Source Appropriations. The following appropriations are from dedicated state revenue sources and departmental revenue.

	<u>Appropriation</u>	<u>Departmental Revenue</u>
1. Court System - Board of Professional Responsibility (1 FT)	\$ 31,000	\$ 0
2. TennCare - Alternative Payment Method Modeling (from Maintenance of Coverage Trust Fund)	5,000,000	756,000
3. Agriculture - Beef Promotion Board	145,000	0
4. Financial Institutions - Bank Examination Staffing – Adjustment to Recommendation	85,600	0
5. Health - Health Related Boards - Pharmacy Investigators (3 FT)	511,900	0
6. Safety - Driver License Issuance - Image Verification System for Real ID - Transfer from Systems Development Fund	600,000	0
<b>Total</b>	<b>\$ 6,373,500</b>	<b>\$ 756,000</b>

The appropriation in item 2.2 to the TennCare Bureau for alternative payment method modeling is from the maintenance of coverage trust fund and federal funds and shall be used to develop alternative payment methodologies as allowed under law. The appropriation hereby is declared to be a sum sufficient not to exceed \$5,000,000. A sum sufficient of this appropriation may be allotted in the fiscal year ending June 30, 2013, and the balance in the year beginning July 1, 2013. The provisions of this paragraph shall take effect upon becoming law, the public welfare requiring it.

SECTION 69. Reorganizations. In addition to the amounts appropriated in Sections 1 and 4 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to allocate the appropriations to the appropriate organizational units and to adjust federal aid and other departmental revenues and authorized positions accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

	<u>Recurring Appropriation</u>	<u>Departmental Revenue</u>
I. <b>TennCare</b> - Intellectual Disabilities Services - DIDD Arlington Exit Plan	\$ (400,000)	\$ (400,000)
II. <b>Health</b> - Health Licensure and Regulation - DIDD Arlington Exit Plan	200,000	600,000
III. <b>Agriculture:</b>		
1. Administration - Base Reduction #3, Position Abolishments (Abolish 2 FT statistical analysts)	\$ (97,800)	\$ 0
2. Forestry Operations - Base Reduction #3, Position Abolishments (Restore 2 FT support)	80,900	0
<b>Sub-Total Agriculture</b>	<u>\$ (16,900)</u>	<u>\$ 0</u>
IV. <b>Safety:</b>		
1. Highway Patrol - Base Reduction #2, Administrative Support Staff (-3FT)	\$ (198,400)	\$ 0
2. Administration - Base Reduction #2, Administrative Support Staff (+3FT)	198,400	0
<b>Sub-Total Safety</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total</b>	<u><u>\$ (216,900)</u></u>	<u><u>\$ 200,000</u></u>

### **CAPITAL OUTLAY – ADDITIONAL PROVISIONS**

SECTION 70. Capital Outlay Additional Provisions. The following provisions are in addition to other provisions of this act concerning the capital outlay budget and the facilities revolving fund capital outlay budget.

Item 1. In addition to the Facilities Revolving Fund capital maintenance projects listed on page A-181 of the 2013-2014 Budget Document, the following are funded in the appropriations in Section 1, Title III-29, of this act:

(a) Department of General Services – State Capitol Renovation Phase 3 in the amount of \$1,400,000, and cupola restoration in the amount of \$700,000 from the general fund.

(b) Department of Agriculture – Ellington Agricultural Center rewiring and cable for new telephone and computer systems, in the amount of \$820,000 from reserves of the state office buildings and support facilities revolving fund.

Item 2. In addition to the capital outlay projects listed on pages A-155 through A-158 of the 2013-2014 Budget Document, the following are funded in the appropriations in Section 1, Title III-32, of this act:

(a) Department of Environment and Conservation – Rocky Fork State Park road and utilities infrastructure in the amount of \$1,260,000.

(b) Department of Finance and Administration – Design, modeling, signs, and way finding in the amount of \$800,000.

(c) Department of Finance and Administration – Memorials master planning for the Capitol complex in the amount of \$100,000.

(d) Department of General Services – New State Museum planning in the amount of \$475,000. It is the legislative intent that this appropriation be used by the task force to be established by the Governor and called the Governor’s New State Museum Task Force, comprised of at least three members appointed by the Governor, one of whom he shall designate as chair of the task force, and the chair of the Douglas Henry State Museum Commission. The task force is to be charged with developing a new master plan that will include a conceptual program, site and location analysis and recommendation, an operating plan, and a capital funding plan that requires at least 25 percent of the funding to come from private sources. This appropriation for planning can be used for professional services, including a project manager, architectural and engineering consultants, museum consultants, fund-raising consultants, and other necessary expenses.

(e) Department of General Services – Civil Rights Museum, a grant to Lorraine Civil Rights Museum Foundation, for structural improvements in the amount of \$1,000,000.

(f) Department of General Services – Jonesborough Jackson Theater grant in the additional amount of \$400,000, making the total appropriated in this act for this purpose \$500,000.

(g) Historical Commission – Historic Sites acquisition, improvements, maintenance, and interpretation in the amount of \$500,000.

(h) Department of Veterans Affairs – West Tennessee Cemetery at Memphis materials storage shed in the amount of \$310,000.

(i) Department of Veterans Affairs – A new West Tennessee veterans cemetery, for land acquisition and planning of a site in the Parkers Crossroads vicinity in the amount of \$350,000.

(j) Veterans Homes Board – Montgomery County Veterans Home Additional funds – The project, listed on page A-156 of the 2013-2014 Budget Document, is deleted and not included in Section 1, Title III-32, of this act, but a 2012-2013 supplemental appropriation of \$4,300,000 is made in Section 63 of this act for the same project, for the purposes described in the Budget Document on pages A-156 and A-166.

(k) Secretary of State – New State Library and Archives Planning in the amount of \$2,600,000. From this appropriation three alternative plans shall be developed for total project costs in the amounts \$65,000,000; \$80,000,000; and \$95,000,000; and such alternative plans shall be presented to the Governor for his consideration in developing a future budget recommendation that he may transmit to the General Assembly.

In addition to the appropriation in Section 1, Title III-32, of this act, there is further appropriated, from a previous appropriation in the amount of \$1,600,000 to the facilities revolving fund in Public Acts of 2012, Section 1, Title III-29, Item 4, and identified in the 2012-2013 Budget Document on page A-170, for interior renovation of the existing State Library and Archives, a sum sufficient from any unexpended balance of the \$1,600,000 appropriation, to be used for the capital outlay needs of the State Library and Archives, including for the new State Library and Archives project, and for such purpose, the unexpended balance of said appropriation hereby is reappropriated. Expenditure of the reappropriated funds for this purpose is subject to approval of the State Building Commission, upon recommendation of the Secretary of State and the Commissioner of General Services and upon certification of availability of funds by the Commissioner of Finance and Administration. Any amount of the reappropriated funds approved by the State Building Commission for use in the new State Library and Archives project shall be reduced from the interior renovation project, and such amount shall be transferred from the facilities revolving fund to the capital projects fund.

(l) Tennessee Board of Regents – University of Memphis Community Facility. The appropriation in Section 1, Title III-32, reflects a state appropriation reduction in the amount of \$300,000, and an amount of \$300,000 from institutional sources shall be provided to correct the institutional match requirement for this project. The total project cost on page A-156 of the 2013-2014 Budget Document is not affected by this adjustment.

(m) University of Tennessee – UT Martin – Grant to Parsons-Decatur County Higher Education Foundation for the nursing building expansion in the amount of \$1,000,000, matching donated funds.

Item 3. The capital outlay appropriation recommendations in the 2013-2014 Budget Document hereby are amended, as follows:

(a) The Tennessee Wildlife Resources Agency project from dedicated sources, described on page A-159 of the Budget Document as Nashville Central Office Mechanical/Electrical Upgrades, is amended to delete the federal aid amount of \$2,570,000, and there hereby is appropriated an additional amount of \$2,570,000 from the wildlife resources fund revenues, making the total appropriation from wildlife resources fund revenues \$3,430,000.

(b) The higher education capital improvement project in the State University and Community College System, described on page A-156 as Northeast State Community College Technical Education Complex, is amended to increase the total cost by \$1,210,000, funded from institutional sources, and correcting the total project cost to \$34,440,000 and the institutional match requirement to \$2,710,000.

Item 4. Two capital outlay projects identified in the 2013-2014 Budget Document, page A-156, hereby are renamed, without change in intent of the projects:

(a) Austin Peay State University – Trahern Building Addition and Renovation is renamed as Fine Arts Improvements.

(b) Tennessee Technological University – New Chemistry Building and Infrastructure is renamed as Laboratory Science Building and Infrastructure.

Item 5. From the unexpended balance of the capital outlay appropriation of \$12,000,000 to the Department of Intellectual and Developmental Disabilities for construction of group homes for clients of Cloverbottom Developmental Center in Public Acts of 2010, Chapter 1108, Section 10, Item 38, the department may use available funds to construct state-owned homes for behavioral respite and intensive behavioral residential programs in any region of the state. Expenditure of these reappropriated

funds is subject to approval of the State Building Commission, upon recommendation by the Commissioner of Intellectual and Developmental Disabilities that adequate funds are available, from the capital outlay appropriation in the 2010 act or other available capital outlay appropriations to the department, to provide for the Cloverbottom clients and upon certification of availability of funds by the Commissioner of Finance and Administration.

#### **PROGRAM ADJUSTMENTS FROM DEPARTMENTAL REVENUE**

SECTION 72. Program Adjustments Funded by Departmental Revenue. The appropriations of departmental revenue in Section 4 to the following programs shall be adjusted for the stated purposes:

Item 1. To the TennCare Bureau, Intellectual Disabilities Services, an amount of \$11,400,000 from federal aid hereby is appropriated to correct the revenue estimate reduction that was overstated in the 2013-2014 Budget Document, Volume 2, Base Budget Reductions, page 32, item 14, TennCare Share of Intellectual and Developmental Disabilities Base Reductions.

Item 2. The Department of Education, Achievement School District, hereby is reduced by \$16,567,700 from departmental revenue sources, and full-time authorized positions reduced by 82, to reflect a corrected estimate of the schools and students in the district.

#### **FEDERAL PROGRAM REDUCTIONS (SEQUESTER BY U.S. GOVERNMENT)**

SECTION 73. Federal Program Reductions. The General Assembly recognizes that reductions in federal grants-in-aid resulting from the sequester of federal programs by the United States government will require extraordinary actions by the Commissioner of Finance and Administration to manage the state budget within available resources and without detrimental effect on state finances. It is the legislative intent that the reduced programs not be maintained at their former level by substituting state funds for the reduced federal aid.

Item 1. Accordingly, the Commissioner of Finance and Administration shall reduce the federal and other departmental revenue estimates and reduce the allotment of funds in an amount equal to the revenue reductions, in accordance with Section 23, Item 1, it being the legislative intent that such withdrawal of federal aid necessitates a reduction of spending authorization in order to protect the state finances.

Item 2. The commissioner also shall reduce the number of authorized positions of each program affected by the federal aid reductions, to the extent positions were funded by the federal aid being reduced, and any employees terminated as a result of such action shall be provided severance benefits as provided in Section 59 of this act.

Item 3. State funds appropriated to match federal aid that has been reduced shall be set aside in an allotment reserve of the affected program and shall not be expended except to the extent necessary to provide for severance benefits and other actions necessary to reduce programs; provided, however, that the allotment of state funds shall be authorized to the extent necessary to fulfill state maintenance-of-effort (MOE) requirements under federal law. To the extent that state MOE requirements are reduced by the federal programs, state funds in the amount of the allowable MOE reduction also shall be reserved and not expended, except as provided above in this item. The provisions of this item shall not operate to require the reserving of state funds that have been appropriated in excess of the previous level of required state match or MOE in order to enhance the affected joint federal-state program.

Item 4. It is the legislative intent that the state matching funds held in allotment reserve as a result of these actions revert to the appropriate fund balance at June 30, 2014, in addition to the amounts estimated in the over-appropriation in Section 43 of this act, and that such funds as may be estimated at mid-year, when the 2014-2015 Budget is transmitted, be available for the Governor's budget recommendations for the



maintenance of any priority program services, if approved in the 2014 appropriations bill enacted by the General Assembly.

Item 5. The Commissioner of Finance and Administration, by December 31, 2013, shall report to the Senate and House Finance, Ways and Means committees on the reductions made by department and by state program, including the amounts of federal and other departmental revenue and allotments reduced, the matching state appropriations held in reserve and not allotted, the number of positions reduced, and a general summary of the impact on program services. After the report date, the commissioner shall provide any updated information in a fiscal year-end report encompassing the same categories of information, if the program reductions have changed from the earlier report.

**SECTION 39 – PROGRAM EXPANSIONS  
FROM FEDERAL AND OTHER DEPARTMENTAL REVENUE**

AND FURTHER AMEND by deleting Section 39 in its entirety and inserting the following as a new Section 39:

SECTION 39. Program Expansions from Federal and Other Departmental Revenue. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. At June 30, 2013, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2013.

There is hereby appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	<u>2012-2013</u>	<u>2013-2014</u>
Comptroller of the Treasury		
1. Division of Property Assessments	\$ 0	\$ 30,000
TennCare		
1. TennCare Medical Services	50,000,000	100,000,000
General Services		
1. Real Estate Asset Management	119,900	479,400
Agriculture		

1. Forestry Operations	0	319,400
Environment and Conservation		
1. Office of Sustainable Practices	0	180,000
Education (K-12)		
1. Technology, Infrastructure, and Support Systems	\$ 43,400	\$ 111,300
2. Curriculum and Instruction	0	500,000
Sub-Total Education (K-12)	<u>\$ 43,400</u>	<u>\$ 611,300</u>
Mental Health and Substance Abuse Services		
1. Community Alcohol and Drug Abuse Services	\$ 1,000,000	\$ 1,000,000
2. Community Mental Health Services	1,000,000	1,000,000
Sub-Total Mental Health and Substance Abuse Services	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Health		
1. Bureau of Health Licensure and Regulation	<u>80,400</u>	<u>642,900</u>
<b>Total</b>	<b><u>\$ 52,243,700</u></b>	<b><u>\$ 104,263,000</u></b>

The Commissioner of Finance and Administration is authorized to establish fifteen (15) full-time positions and to allocate them to the appropriate organizational units, including eight (8) positions in the District Attorneys General Conference, two (2) in the Department of General Services, and five (5) in the Department of Agriculture.

**HIGHER EDUCATION DISCLOSED CAPITAL OUTLAY  
FROM SCHOOL BONDS AND INSTITUTIONAL SOURCES**

AND FURTHER AMEND in Section 29, Item 25 by inserting the following after the second paragraph of the item:

**State University and Community College System  
(Tennessee Board of Regents):**

**East Tennessee State University:**

College of Medicine Building 60 Renovations	\$	12,930,000
D.P. Culp and Stone Hall Renovations		15,000,000
Millennium Center Renovation		1,500,000
New Data Center		1,500,000
New Football Stadium		18,000,000
Total ETSU	<u>\$</u>	<u>48,930,000</u>

**Middle Tennessee State University:**

Andrew W. Miller Center Renovations	\$	6,000,000
Bus Maintenance Facility		1,750,000
Campus Demolitions and Site Improvements		2,750,000
College Heights Renovation		830,000
Flight Simulator Building Construction		700,000
Recreational Fields Lighting		350,000
ROTC Training Tower Construction		160,000
Warehouse Building Renovations		530,000
Women's Softball Batting Enclosure		100,000
Total MTSU	\$	13,170,000

**Tennessee State University:**

Center for Health and Research Building Upgrades	\$	200,000
Hale Stadium Renovations and Site Improvements		1,000,000
Total TSU	\$	1,200,000

**Tennessee Technological University:**

Athletics Facilities Improvements	\$	32,000,000
Athletics Maintenance & Storage Facility Construction		370,000
Capitol Quad Steam Line Replacement		1,640,000
Craft Center Sewage Treatment Plant Replacement		320,000
Hyder-Burks Equestrian Facility Construction		1,000,000
Outdoor Tennis Courts Replacement		1,240,000
Residence Halls Mechanical Upgrades		21,500,000
Residence Halls Roof Replacements		750,000
Tech Village Apartments Renovations		1,450,000
Total TTU	\$	60,270,000

**University of Memphis:**

Basketball Training Center Construction	\$	25,000,000
Indoor Football Practice Facility		14,000,000
Lambuth Campus Improvements		1,200,000
Research Facilities Upgrades		1,500,000
Soccer Field Improvements		3,000,000
Total UoM	\$	44,700,000

**Dyersburg State Community College:**

Baseball and Softball Field Lighting	\$	490,000
Softball Multipurpose Building		330,000
Total DSCC	\$	820,000

**Jackson State Community College:**

Campus-wide Restroom Renovations		250,000
----------------------------------	--	---------

**Nashville State Community College:**

Clarksville Campus Renovations	\$	6,690,000
New Academic Building Parking		370,000

Total NASCC	\$ 7,060,000
<b>Pellissippi State Community College:</b>	
Strawberry Plains Renovation	5,700,000
<b>Roane State Community College:</b>	
Campus-wide Paving	\$ 460,000
Gym Seating Upgrades	190,000
New Maintenance Equipment Building	100,000
Total RSCC	\$ 750,000
<b>Southwest Tennessee Community College:</b>	
Macon Cove Campus Industrial Readiness Facility	\$ 3,500,000
Whitehaven Center Renovations	5,600,000
Total STCC	\$ 9,100,000
<b>Volunteer State Community College:</b>	
Livingston Campus Site and Building Improvements	\$ 5,000,000
New Satellite Teaching Facility	3,650,000
Total VSCC	\$ 8,650,000
<b>Total Tennessee Board of Regents</b>	<b>\$ 200,600,000</b>
<b>University of Tennessee:</b>	
<b>UT Martin:</b>	
Football Press Box Improvements	\$ 6,400,000
Administration Building Renovations	500,000
Total UTM	\$ 6,900,000
<b>Total University of Tennessee</b>	<b>\$ 6,900,000</b>
<b>Grand Total</b>	<b>\$ 207,500,000</b>

The requests for ETSU D.P. Culp Center Renovation in the amount of \$3,500,000; ETSU Stone Hall Renovations in the amount of \$3,500,000; and the VSCC New Robertson County Academic Building in the amount of \$3,650,000, as identified on pages A-160 and A-161 of the 2013-2014 Budget Document are to be canceled.

**SECTION 8 – SUM SUFFICIENT APPROPRIATION  
FROM DEDICATED BEEF PROMOTION ASSESSMENT**

AND FURTHER AMEND in Section 8, Item 25, by inserting the following at the end of the item:

(h) Beef Promotion Board pursuant to Tennessee Code Annotated, Section 43-29-109 and 43-29-118.

**SECTION 8 – REPORT ON CERTAIN SETTLEMENT AND JUDGMENT AND AWARDS**

AND FURTHER AMEND in Section 8, Item 4, in the last sentence, by deleting the words “written report” and inserting instead the words “written quarterly report”.

**SECTION 8 – SUM SUFFICIENT APPROPRIATION  
OF DEDICATED INTERLOCK ASSISTANCE PROGRAM REVENUES**

AND FURTHER AMEND in Section 8 by inserting the following at the end of the section:

Item 53. From the revenues and reserves of the interlock assistance fund created pursuant to Tennessee Code Annotated, Section 55-10-403, in the amounts allocated to the departments of Finance and Administration, Mental Health and Substance Abuse Services, and Safety, as follows:

(a) To the Department of Finance and Administration, Office of Criminal Justice Programs, for grants to local law enforcement agencies for obtaining and maintaining equipment and personnel for alcohol-related offenses;

(b) To the Department of Mental Health and Substance Abuse Services, Community Substance Abuse Services, for the alcohol and drug addiction treatment fund; and

(c) To the Department of Safety from its revenues pursuant to the cited law, to defray its expense of administering the program.

The provisions of this item shall take effect upon becoming law, the public welfare requiring it.

**SECTION 9 – SUM-SUFFICIENT APPROPRIATION OF DEPARTMENTAL REVENUE**

AND FURTHER AMEND in Section 9 by inserting the following at the end of the section:

Item 39. To the Comptroller of the Treasury, Division of Property Assessments, from revenues and reserves derived from the annual assessor’s training session. The

provisions of this item shall be effective upon becoming law, the public welfare requiring it.

Item 40. To the Department of Safety from any donations received from any non-profit organization created pursuant to Tennessee Code Annotated, Section 4-3-2017. The provisions of this item shall be effective upon becoming law, the public welfare requiring it.

## **SECTION 10 – PROVISIONS, LIMITATIONS AND RESTRICTIONS ON APPROPRIATIONS**

### **APPROVAL OF CERTAIN PERSONAL AND PROFESSIONAL SERVICES CONTRACTS**

AND FURTHER AMEND in Section 10, Item 2, by deleting from the first sentence the words “and the Comptroller of the Treasury”; by deleting from the second sentence the word “officials” and inserting instead the words “Commissioner of Finance and Administration”, and by deleting the last sentence of the item.

### **TOBACCO MSA DILIGENT ENFORCEMENT SYSTEMS DEVELOPMENT**

AND FURTHER AMEND in section 10 by inserting the following at the end of the section.

Item 32. The appropriation made in Section 1, Title III-22, Item 30, for Tobacco MSA diligent enforcement systems development is for the purpose of developing an information system or systems for the Attorney General and Reporter and the Department of Revenue, and includes a recurring amount of \$240,700 for system operational costs, which shall remain in the general fund allotments, including \$24,100 for the Attorney General and Reporter and \$216,600 for the Department of Revenue; and the recurring funds shall be transferred to the operating allotments of the agencies at the time the Commissioner of Finance and Administration determines for system operating purposes. The non-recurring amount of \$962,400 may be transferred to the systems development fund, and the non-recurring amount of \$532,900 shall be available for the Attorney General and Reporter systems development requirements and \$429,500 for the Department of Revenue systems development requirements. The Commissioner

of Finance and Administration is authorized to make transfers between the two non-recurring accounts, with the agreement of the Attorney General and Reporter and the Commissioner of Revenue, or to consolidate the amounts into a single project account for development of a single system serving both agencies, if deemed appropriate by the two commissioners and the Attorney General and Reporter.

**GRANT TO KNOX COUNTY RELATED TO CERTAIN TAX MORATORIUM**

Item 33. The contingency appropriation in Section 1, Title III-22, Item 34, for a grant to Knox County in lieu of tax is for the purpose of providing a grant in lieu of estimated intangible property tax funds that the county will not collect if a moratorium is placed upon the collection of the tax from certain domestic mutual insurance companies. The grant of funds to Knox County is contingent upon Senate Bill 885 / House Bill 574 or a similar bill becoming a law and placing a moratorium upon collection of such tax. Payment shall be made timely upon receipt of a bill from Knox County at the time the tax would otherwise be collected during the year ending June 30, 2014. The grant shall not exceed the amount appropriated.

**REPORT TO LEGISLATIVE BUDGET ANALYSIS OFFICE ON BEP – DATE CHANGE**

AND FURTHER AMEND IN Section 11, Item 6, by deleting the word “January” and inserting the word “February”.

**ALVIN C. YORK INSTITUTE TRANSITION**

AND FURTHER AMEND in Section 11, item 9, by deleting the second sentence and substituting the following:

It is the legislative intent that the Commissioner of Education provide to the Governor by December 1, 2013, a transition plan approved by the commissioner and the local education agency in Fentress County relative to transition of the Alvin C. York Institute to the local education agency by July 1, 2015. If such plan is not approved by the commissioner and the local education agency, the commissioner on December 1, 2013,

shall provide to the Commissioner of Finance and Administration an estimate of the state appropriation requirement and local funding requirement and the Basic Education Program-generated positions if the school were to be funded and staffed in fiscal year 2014-2015 in amounts estimated through the Basic Education Program funding formula. Failing a commitment from the local education agency to provide the local share, it is the legislative intent that the appropriation to the institute and authorized positions be reduced in the 2014-2015 budget to the amounts that can be funded by the state share of the formula estimate and other departmental revenues available to the institute.

### **SECTION 35 – TRANSFER OF APPROPRIATIONS**

#### **DEPARTMENT OF ENVIRONMENT AND CONSERVATION – CONSOLIDATION OF THREE WATER REGULATORY PROGRAMS**

AND FURTHER AMEND in Section 35, by inserting the following at the end of the section:

Item 25. From the appropriations to the Department of Environment and Conservation in Section 1, Title III-5, and Section 4, Title III-5, and other sections of this act, subject to approval of the Commissioner of Finance and Administration, the Department of Environment and Conservation is authorized to consolidate the following programs at July 1, 2013: Water Pollution Control, Water Supply, and Groundwater Protection. The appropriation to the Environmental Protection Fund and authorized positions of the three consolidated programs may be reduced, and the Commissioner of Finance and Administration shall adjust departmental revenues and authorized positions of the restructured programs accordingly. It is the legislative intent that no appropriation of general fund revenue to the programs and no authorized positions be diverted to other functions of the department as a result of the consolidation.

### **SECTION 36 – CARRYFORWARD AND REAPPROPRIATION OF CERTAIN FUNDS**

AND FURTHER AMEND in Section 36 by inserting the following at the end of the section:



Item 74. The Comptroller of the Treasury, Division of Property Assessments is authorized to carry forward unexpended revenue derived from the annual assessor's training session.

Item 75. To the Department of Economic and Community Development, in Section 38, Item 9.2, TNInvestco Tax Credits.

Item 76. To the Department of Education, Career and Technical Education Program, from the unexpended balance of the non-recurring appropriation of \$300,000 in Section 64, Item 1.17, which pursuant to Public Acts of 2012, Chapter 967, was allotted to the Department of Education, relative to the cooperative innovative education consortium and dual credit course pilot projects. Such funds as may be carried forward hereby are reappropriated for the purposes of the program set forth in Tennessee Code Annotated, Title 49, Chapter 15, part 1.

Item 77. The Department of Safety is authorized to carry forward the unexpended balance of any donation from any non-profit organization created pursuant to Tennessee Code Annotated, Section 4-3-2017.

**SECTION 40 – REPORT ON APPROPRIATIONS ESTABLISHED  
TO RECOGNIZE ACCRUED LIABILITIES AND OBLIGATIONS**

AND FURTHER AMEND in Section 40, by inserting the following at the end of the paragraph:

The commissioner shall provide a copy of the certification to the Office of  
Legislative Budget Analysis.

**SECTION 41 – PROVISIONS CONCERNING CERTAIN APPROPRIATIONS**

**SICK LEAVE BANK ADMINISTRATIVE COST**

AND FURTHER AMEND in Section 41, Item 1(d) by deleting the figure “130,000” and inserting instead “\$154,500”.

**ECONOMIC DEVELOPMENT PROJECTS –  
AUTHORIZATION AND LIMITATIONS ON TRANSFERS  
BETWEEN GENERAL FUND AND CAPITAL PROJECTS FUND**

AND FURTHER AMEND in Section 41 by inserting the following at the end of the section:

Item 4. FastTrack Infrastructure and Job Training Assistance Program and Business Development Program. The Commissioner of Finance and Administration is authorized to transfer from the general fund to the capital projects fund available appropriations made in this act and previous appropriations acts to the Department of Economic and Community Development for economic development projects, including amounts allotted to the FastTrack Infrastructure and Job Training Assistance program and Business Development program. A transfer may not be made if it would result in a deficiency in available funds for any FastTrack or Business Development project for which a contractual agreement has been made, unless such agreement has been amended to reduce the amount required to be expended in the amount to be transferred or unless appropriations are available otherwise.

Transfers also may be made from the capital projects fund to the two operating budget programs from available funds appropriated to the Department of Economic and Community Development for economic development capital outlay projects. Transfers are authorized only from available current funds in the capital projects fund and may not include any amounts from bond authorizations. Before transfers from the capital projects fund may occur, the Commissioner of Finance and Administration shall determine that the current funds are available, that any associated grant agreement for the capital outlay project has been amended to reduce the capital outlay grant in the amount to be transferred or that an agreement has not been made for the capital outlay grant, and that the State Building Commission has approved the capital outlay project current-funds reduction. Such transfers may not be made if they would result in a deficiency in available funds for any capital outlay project previously funded.

Transfers authorized in this item are subject to the approval of the Commissioner of Finance and Administration.

## **ACCOUNTING FOR STATE REVENUES AND DEPARTMENTAL REVENUES**

Item 5. The Commissioner of Finance and Administration is authorized to establish state appropriations and reduce appropriations of departmental revenue made in Section 4 and other sections of this act to the extent required to reflect proper accounting of state revenues under generally accepted accounting principles. To the extent that state appropriations are established, departmental revenue estimates shall be reduced. In no instance shall the adjustments made under this provision result in a greater allotment of funds than is otherwise provided by this act.

## **OIR PRINTING SERVICES TRANSFER TO GENERAL SERVICES PRINT SHOP**

Item 6. The Commissioner of Finance and Administration, is authorized to transfer information systems printing services and associated position authorizations from the Department of Finance and Administration, Office for Information Resources, to the Department of General Services, Printing and Media Services. Departmental revenue estimates of the two programs shall be adjusted accordingly.

## **CENTRALIZATION OF PROCUREMENT FUNCTIONS**

Item 7. The Commissioner of Finance and Administration is authorized to transfer procurement positions from departments and agencies funded by this act to the central procurement office attached to the Department of General Services, upon the request of the chief procurement officer, and to adjust departmental revenue estimates and authorized positions accordingly. The plan for centralization of such procurement functions is subject to approval of the Commissioner of Finance and Administration.

## **MEMPHIS MENTAL HEALTH INSTITUTE AND COMMUNITY MENTAL HEALTH SERVICES**

Item 8. The appropriation in Section 1, Title III-14, Item 2.4, to Memphis Mental Health Institute reflects a recurring base reduction of \$2,042,000 and in Title, III-14, Item 2.5, to Community Mental Health Services a recurring base increase of \$2,042,000. The appropriation in Item 2.4 to Memphis Mental Health Institute also includes a non-

recurring amount of \$455,700, which is intended to provide for transition costs, including the payment of severance benefits to employees who are terminated, as provided in Section 59 of this act, and for other transition purposes. The Commissioner of Finance and Administration shall reduce the number of authorized full-time positions at the institute by an estimated 48, but may make position adjustments as necessary within the amount of the appropriation to the institute.

**GENERAL SERVICES DEPT., STATE FACILITIES PRE-PLANNING PROGRAM**

Item 9. The appropriations in Section 1 and 68, Item 1, of this act to the Department of General Services, State Facilities Pre-Planning program, are for the purpose of properly preparing capital outlay projects for funding consideration. Work of the program includes project scope development, project budget development, risk analysis, business case studies, design services through the construction-document phase (full planning), schedule development, and other services related to pre-construction project services. The provisions of this item do not waive the requirements of law and State Building Commission policy concerning approval of capital outlay project planning.

**SECTION 43 – OVER-APPROPRIATION – ESTIMATED REVERSION TO GENERAL FUND**

AND FURTHER AMEND in Section 43, by deleting Item 1 in its entirety and inserting instead the following:

Item 1. It is the legislative intent to recognize over-appropriation reversion savings in the general fund in the following amounts:

(a) In fiscal year 2012-2013 to recognize an over-appropriation of \$123,100,000, including a base recurring over-appropriation of \$86,700,000 and a non-recurring over-appropriation of \$36,400,000.

(b) In fiscal year 2013-2014 to recognize an over-appropriation of \$70,400,000, including a base recurring over-appropriation of \$72,300,000 and a non-recurring over-appropriation adjustment of negative \$1,900,000.

(c) From the amounts in paragraph (b) of this item, a recurring amount of \$400,000 shall be achieved by reducing the appropriations made in Section 1 to recognize savings achieved by mileage reimbursement reductions resulting from the motor vehicle management program, and the over-appropriation shall be reduced accordingly.

(d) From the amounts in paragraph (b) of this item, a recurring amount of \$3,900,000 shall be achieved by reducing the appropriations made in Section 1 to recognize savings achieved by space reductions resulting from the office modernization project, and the over-appropriation shall be reduced accordingly; and a non-recurring allotment of \$1,900,000 will be made to the line-items of the budget, and the negative non-recurring over-appropriation shall be increased accordingly to zero dollars.

(e) With the adjustments in items (c) and (d), the 2013-2014 over-appropriation becomes \$68,000,000, including a base recurring over-appropriation of \$68,000,000 and a non-recurring over-appropriation adjustment of zero dollars.

(f) It is the legislative intent that any reversion from higher education appropriations to the general fund balance at June 30, 2014, be drawn from the unexpended balance in the Tennessee Higher Education Commission and the Tennessee Student Assistance Corporation, but not from Tennessee Student Assistance Awards.

#### **SECTION 45 – OFFICE FOR INFORMATION RESOURCES - CLARIFICATION**

AMEND Section 45, Item 4, in the first sentence, by deleting the words “positions and other” and inserting instead “positions, workstation support positions, and other”; and in the second sentence by deleting the words and punctuation “positions, other” and inserting instead “positions, workstation support positions, and other”.

**SECTION 47 – CERTAIN RESERVES AND INTER-FUND TRANSFERS**

AND FURTHER AMEND in Section 47 by inserting the following at the end of the section:

Item 6. At June 30, 2013, the Commissioner of Finance and Administration is authorized to transfer from the reserve for mental health trust fund to the general fund an amount of \$2,700,000, relative to the appropriation in Section 38 of this act for the costs associated with the closure of Lakeshore Mental Health Institute.

Item 7. At June 30, 2013, the Commissioner of Finance and Administration is authorized to transfer from the Department of General Services motor vehicle management reserve the amount of \$3,000,000 to recognize dispatch vehicle savings.

Item 8. In the year beginning July 1, 2013, the Commissioner of Finance and Administration is authorized to transfer from the systems development fund to the general fund an amount of \$600,000, relative to a previous appropriation for federal Real ID compliance, and for the purpose of funding the appropriation to the Department of Safety in Section 68, Item 2, relative to an image verification system.

Item 9. The estimate of revenue from the Tobacco Master Settlement Agreement (MSA) arbitration settlement is estimated to be \$72,400,000 in the year ending June 30, 2013. At June 30, 2013, and June 30, 2014, an amount of \$23,100,000, or any such sum as may be received in excess of \$49,300,000 in revenue collected and available from the settlement, shall be reserved for future health and wellness requirements. It is the legislative intent that such funds be available to fund non-recurring health and wellness appropriations in fiscal year 2014-2015.

**HOUSEKEEPING –  
TYPOGRAPHICAL, NAME, DATE, AND CITATION CORRECTIONS**

AND FURTHER AMEND in Section 1, Title III-2, Item 3.2, by deleting the words “Office of” and inserting instead the words “Office for”;

AND FURTHER AMEND in Section 1, Title III-18, Item 7, by aligning the dollar amount in the column;

AND FURTHER AMEND in Section 2, item 12(g) by deleting “State and Local Government Committees of the Senate and House of Representatives” and inserting instead “State and Local Government Committee of the Senate and State Government Committee of the House of Representatives”;

AND FURTHER AMEND in Section 7, Item 16, by deleting the date “2012” and inserting “2013”;

AND FURTHER AMEND in Section 7, Item 17, by deleting the date “2012” and inserting “2013”;

AND FURTHER AMEND in Section 8, Item 40, in the second sentence, by inserting a comma after the word “Relief”;

AND FURTHER AMEND in Section 9, Item 4, by deleting the underline under and following the comma;

AND FURTHER AMEND in Section 9, Item 11, by connecting the words “minority owned” with a hyphen;

AND FURTHER AMEND in Section 10, Item 6, by deleting the words “by him”;

AND FURTHER AMEND in Section 29, Item 24, in the first sentence, by deleting the hyphen after the word “includes”;

AND FURTHER AMEND in Section 31, item 10, in the second line of the table, by deleting the blank space before the word “Expansions”;

AND FURTHER AMEND in Section 36, Item 13, by making the bold word “in” entirely lite type; and in Section 36, Item 26, by deleting the citation “Items 2 and 3” and inserting instead “Items 1, 2, 3, and 5”;

AND FURTHER AMEND in Section 36, Item 59, by inserting the word “balance” after the word “unexpended”;

AND FURTHER AMEND in Section 40, by deleting the first sentence and changing the date “June 30, 2013” to “June 30, 2014”.

AND FURTHER AMEND by requesting the Engrossing Clerk to:

(1) Insert between Sections 63 and 64 any new sections added to the bill as amended so that Sections 64 through 68 will be the renumbered final sections of the engrossed bill;

(2) Delete the bold underlined explanatory headings in this amendment; and

(3) Exclude this paragraph from the engrossed bill.